



# BEAD Initial Proposal Volume 2

## Input Session

Office of Broadband



**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**  
*Partners for Better Communities*





# Office of Broadband

**Tamarah Holmes, Ph. D, Director**  
**Chandler Vaughan, Senior Policy Analyst**  
**Cole McAndrew, Policy Analyst**



**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**  
*Partners for Better Communities*



# Agenda

- BEAD Overview & 5 Year-Plan Goals and Objectives
- How to Read Volume 2 – What Virginia can Control
- Subgrantee Selection and Evaluation Criteria
  - Sections 2.4.1 - 2.4.4 and 2.4.6 - 2.4.10
- BEAD Requirements of All Subgrantees
- Low Cost Service Option & Middle Class Affordability
- Non-Deployment



VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT  
*Partners for Better Communities*

# BEAD Overview & 5 Year Plan Goals and Objectives



VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT  
*Partners for Better Communities*

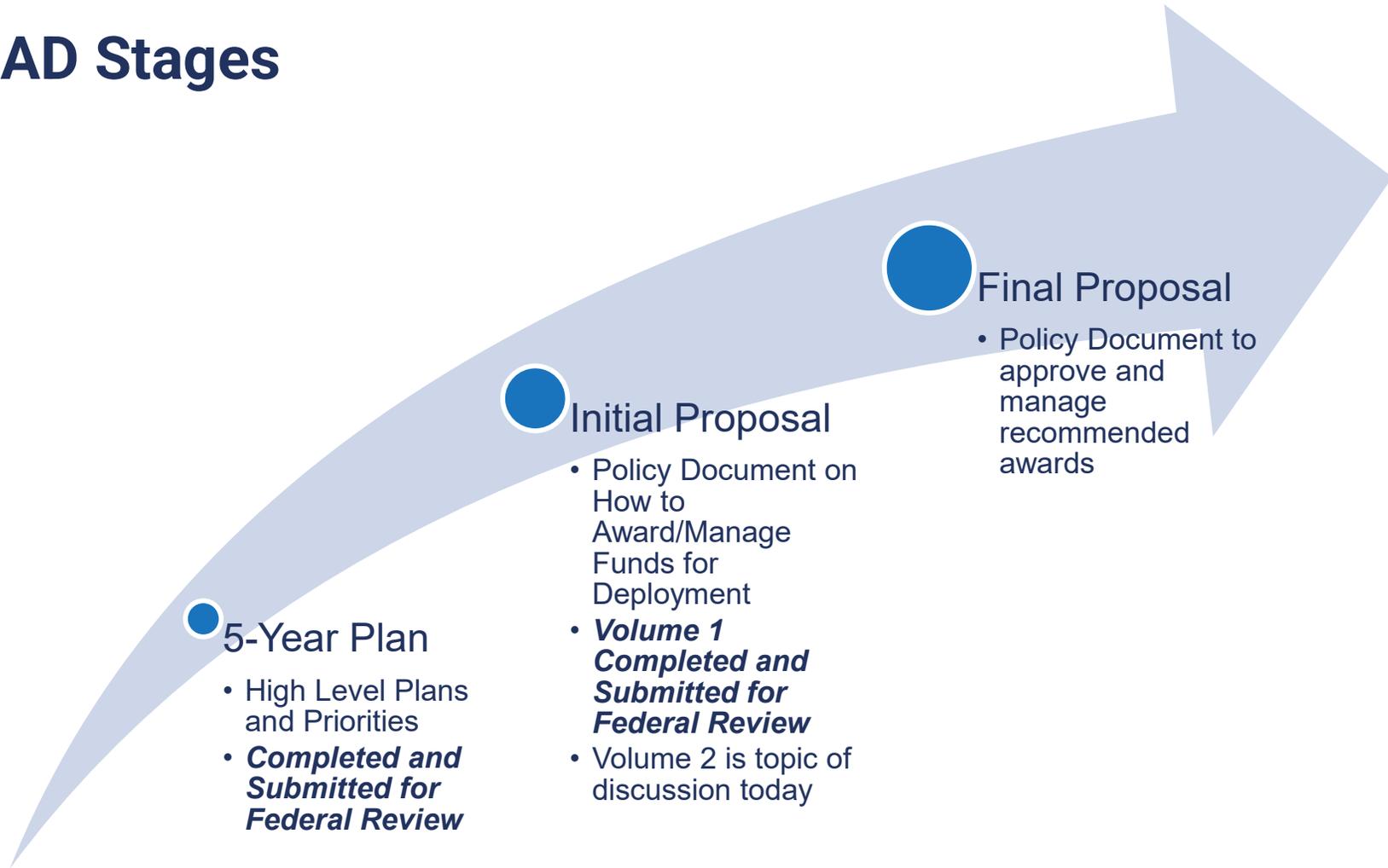
# What is the Broadband Equity Access and Deployment (BEAD) Program?

*Virginia's BEAD Allocation: \$1.48B*

- **Background:** The Infrastructure Investment and Jobs Act allocated \$42.45 billion in broadband program funding for planning, infrastructure deployment, and broadband adoption (non-deployment) programs. Funds have been allocated through a formula allocation.
- **Purpose:** Provide funding to U.S. states and territories to end the disparity in access to broadband infrastructure and begin to address affordability and adoption programs.
- **What it means for Virginia:** Opportunity to continue Commonwealth investments in broadband expansion (VATI) with federal dollars (Virginia's BEAD allocation), and to explore affordability and adoption programs.



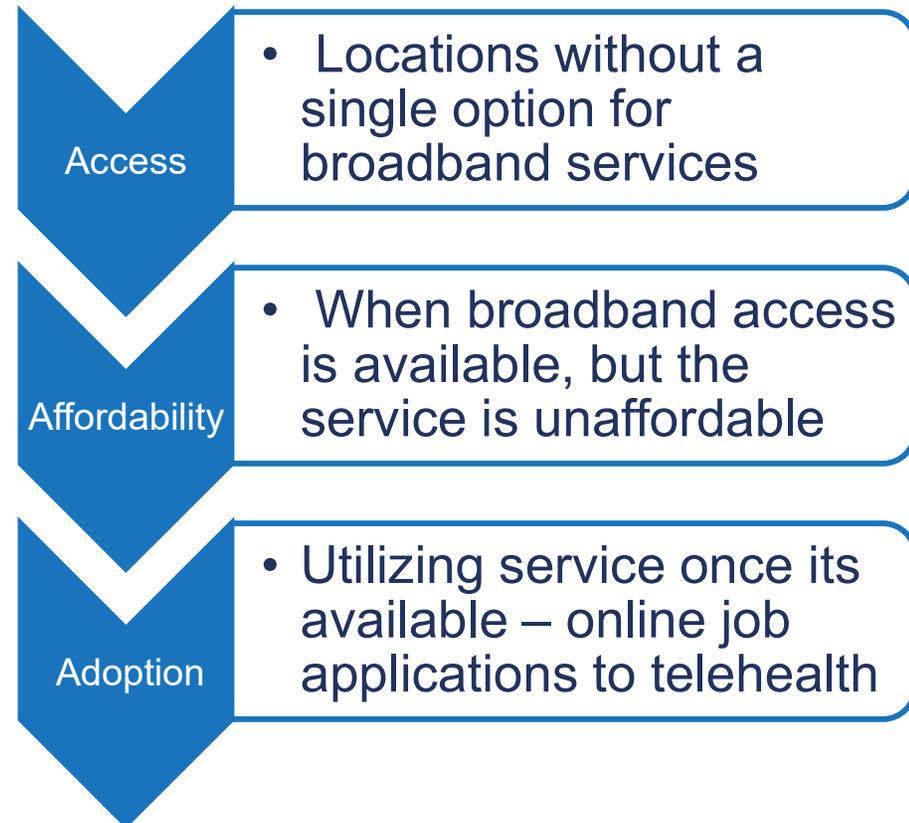
## BEAD Stages



## BEAD Order of Priority

- **Top Priority under BEAD:** Reach all unserved locations across the Commonwealth that can be served by a cost-effective solution.
- 162,000+ Locations preliminarily identified as unserved and not in a funded project area
  - This figure is expected to come down to ~125,000 through private sector construction and refining mapping through the BEAD Challenge Process from Sept. - Dec. 2023.
  - **This process is critical to reaching universal access in the Commonwealth**
  - **Estimated \$950M+ state build costs at 162K unserved locations**
- **Next Priority under BEAD:** If funding is available, develop and implement programs that address broadband affordability and adoption (telehealth, senior programs, smart farming, etc.)

*\*\* Prioritization of extending broadband infrastructure to unserved areas is a mandated priority of federal statute*



## **BEAD Mandated Priorities onto States and Territories in Order**

*Based on Funding Availability*

**1st** – Reach Unserved Areas, lacking 25/3 internet speeds

**2nd** - Reach Underserved Areas, lacking 100/20 internet speeds

**3rd** – Programs that supplement deployment (workforce development)

**4th** – Connecting Community Anchors and support Broadband Adoption

Programs

**5th** – Other Non-Deployment Uses

*These activities can be conducted in tandem, provided anticipated funding can cover all priorities.*

## ■ BEAD 5-Year Plan Goals and Objectives

- Goal: **Invest BEAD funding** to achieve functionally universal broadband access, **by the end of 2024 to all unserved and underserved locations in the Commonwealth** that lack a funded solution for broadband access.
  - Objective: Continue to work with local government and internet service providers to plan shovel-ready, universal broadband projects ready for funding
  - Objective: Remove the barrier of special construction costs for broadband access to locations through line extension programs.
- Goal: **Complete construction of BEAD funded projects by 2027-2028.**
  - Objective: Support development of broadband and other industry -related workforce to meet the ongoing construction and long-term operation and maintenance needs of broadband networks and associated infrastructure.

## ■ BEAD 5-Year Plan Goals and Objectives

- *Goal: To the extent funding is available, promote federal resources for broadband affordability by **increasing ACP utilization by more than 5%** through existing and future efforts.*
  - *Objective: Fully utilize the Affordable Connectivity Program to lower the cost of broadband services for those that need it most.*
- *Goal: To the extent funding is available, conduct state-wide needs assessments and **develop programs to reach full broadband adoption.***
  - *Objective: Development and implement programs that support smart farming, building a business online, and telehealth, among others*
  - *Objective: Support sustainable, long-term programs to provide devices, including computers and tablets, to those in need*
  - *Objective: Develop and promote digital literacy and navigator programs in partnership with multiple institutions across the Commonwealth*

# Setting the Stage for BEAD



**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**  
*Partners for Better Communities*

Map included for live presentation only.

# How to Read Volume 2 – What Virginia Can Control



VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT  
*Partners for Better Communities*



## How to Read Volume 2

State Broadband Offices are bound to the requirements of the BEAD Notice of Funding Opportunity (NOFO). A summary of these requirements is below:

2 – Completely Discretionary  
12 – Mandatory With Some Flexibility  
+ 17 – Completely Mandatory  
31 Requirements in the NOFO

State Broadband Offices have the most flexibility & Discretion in Subgrantee Program Design and in Scoring Criteria of Subgrantee Proposals.

*Source: US Telecom*



## How to Read Volume 2

### Completely Discretionary Requirements:

- Open Access Last Mile Infrastructure
- Subgrantee Local and Tribal Coordination

### Mandatory Requirements, with Some Flexibility:

- Low-Cost Broadband Service Option
- Middle Class Affordability Plan
- Commitment to Provide Affordable Prices for 1/1 Gbps Service
- Fair Labor and Employment Laws
- Highly Skilled Workforce and Workforce Development
- Buy American Requirements
- Cost-Sharing / Matching
- Net Neutrality / Network Management Practices
- Interconnection – Middle Mile Infrastructure
- Conduit Access and Excess Capacity (Fiber Projects Only)
- Equitable and Nondiscriminatory Distribution of Funds
- Public Awareness Campaigns

### Mandatory Requirements:

- Managerial Capability
- Technical Capability
- Financial Capability, Including Letter of Credit and Legal Opinion Letter
- Deployment Deadlines
- Climate Resilience
- Cybersecurity Risk Management
- Supply Chain Risk Management
- Operational Capability
- Prohibition on Data Caps
- Prohibition on Chinese Fiber and Optical Transmission Equipment
- Customer Access to Service
- Quality of Service (Speed, Latency, Outages)
- Civil Rights and Non-Discrimination Laws
- Eligible and Ineligible Use of Program Funds
- Property Trust Relationships
- Environmental and Historic Preservation
- Reporting and Accountability

*Source: US Telecom*

# Subgrantee Selection & Evaluation Criteria



VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT  
*Partners for Better Communities*

# BEAD Application Process

## Stage 1 – Pre-Application

1. Office of Broadband publishes final list of BEAD-eligible locations
2. Internet Providers have 60 days to submit a pre-application, including a letter of interest and shapefiles of where they plan to bid under BEAD
3. The Office of Broadband analyzes where overlap exists and forms defined application areas across Virginia
  - This process allows for an apples-to-apples comparison

## Stage 2 – Full Application

1. Office of Broadband publishes application area boundaries.
2. Internet providers have 90 days to submit full applications
3. Office of Broadband reviews applications, selects recommended awardees
4. Recommendations made to Youngkin Administration
5. Approved Awards and Process sent to Federal Government for Final Review and Approval
6. Awards Announced

## ❏ BEAD Scoring Criteria

- 75% is federally mandated to be divided across three criteria: Minimal BEAD Outlay, Affordability, and Fair Labor Practices
- < 25% is discretionary, but must be selected from a list of optional criteria

	Proposed Scoring Category	Weight
Primary Criteria: Must Comprise a Total of at least 75%	Minimal BEAD Program Outlay	45%
	Affordability	20%
	Fair Labor Practices	10%
Must be Given Some Weight	Speed to Deployment	5%
Optional Criteria (Weight Cannot Exceed Any of Primary Criteria)	Broadband Provider has Consulted Local Government	10%
	Broadband Provider has Received Letter of Support from Local Government	10%

## **BEAD FAQs**

- **What is the maximum we'll pay for a location to be served with fiber?**
  - This threshold will be set once applications are received and we can see the direct impacts of a specific threshold (2.4.10)
- **What if we don't receive a proposal to serve an area under BEAD?**
  - The Office of Broadband can engage directly with broadband providers (of any technology type) to solicit proposals. (2.4.7)
- **What is the timeline of projects once awarded?**
  - The federal deadline is 4 years after a project's award is announced. (BEAD NOFO)
- **Do providers have to submit all information for every application area?**
  - No, the Office of Broadband will require only narrative per applicant, with only specific information required for each application area. (2.4.1)

# BEAD Requirements of All Subgrantees



VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT  
*Partners for Better Communities*

## ■ BEAD Requirements of All Subgrantees

- Applicants will be required to meet certain requirements of the BEAD Program:
  - 2.4.8 – Proof of Tribal Governments’ Consent of Planned Projects on Tribal Lands
  - 2.4.11 – Financial Capability Requirements
    - Letter of Credit
    - DHCD Audit Policy
    - Business Plans
  - 2.4.12 – Managerial Capability Requirements
    - Resumes for Key Management Personnel
    - Narrative describing readiness to manage proposed project
  - 2.4.13 – Technical Capability
    - Certification Statement asserting technical qualifications
    - Network design, diagram, project costs, build-out timeline, and milestones

## ■ BEAD Requirements of All Subgrantees

- Applicants will be required to meet certain requirements of the BEAD Program:
  - 2.4.14 – Compliance with Laws
    - Allow workers to create worker led health and safety committees
  - 2.4.15 – Operational Capabilities
    - Certification Statements
    - Requirements for New Entrants into Broadband Market
  - 2.4.16 – Network Ownership
    - Providers must meet NOFO Requirements and 47 CFR 1.2112 (a)(1)-(7).
  - 2.4.17 – Providing Information on Other Public Funding
    - Disclosure of other broadband projects, applications

## ■ BEAD Requirements of All Subgrantees

- Applicants will be required to meet certain requirements of the BEAD Program:
  - 2.7.1 – Contractor and Sub-Contractor Requirements
    - History of compliance with federal labor and employment laws
    - How subgrantees will continue to meet federal labor and employment laws
  - 2.8.1 – Developing Skilled, Diverse Workforce
    - Plan to support development and use of a highly skilled workforce
    - Plan to developed and promote sector-based partnerships & on-ramps
  - 2.8.2 – Baby Davis-Bacon Requirements
  - 2.9.1-2 – Minority Business, Women Owned Businesses, and Labor Surplus Area Firms
    - Systems to ensure such businesses are recruited, used, and retained if possible.
  - 2.16.2 – Subgrantee Accountability Procedures
    - Reporting Requirements of Grantees

## ■ BEAD Requirements of All Subgrantees

- Applicants will be required to meet certain requirements of the BEAD Program:
  - 2.16.4 – Cybersecurity
    - Cybersecurity Risk Management Plan, incl. NIST Framework for Critical Infrastructure
  - 2.16.4 – Supply Chain Risk Management
    - Supply Chain Risk Management Plan, based on NISTIR 8276

# Low-Cost Plan and Middle Class Affordability



VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT  
*Partners for Better Communities*

## Low-Cost Service Option

As required in the BEAD Notice of Funding Opportunity, subgrantees receiving BEAD funds to deploy broadband infrastructure are required to offer a “low-cost broadband service option” that is available to customers for the useful life of the network assets.

The Office of Broadband defines a low-cost service option as one that meets, at a minimum, the following criteria:

1. Costs \$30 per month, inclusive of all fees, taxes, and charges billed to the customer.
2. Allows end user to apply for and use ACP and Lifeline subsidies. Demonstrable efforts to inform prospective customers of these programs and the necessary steps to enroll.
3. Consistently and reliably provides download speeds of at least 100 Mbps and typical upload speeds of at least 20 Mbps.
4. Provides typical latency measurements of no more than 100 milliseconds.
5. Not subject to data caps, surcharges, or usage-based throttling. Subject only to same use policies as other subscribers.
6. In the event the applicant later offers a low-cost plan with higher speeds downstream and/or upstream, permits Eligible Subscribers that are subscribed to a low-cost broadband service option to upgrade to the new low-cost offering at little to no cost.

## Low-Cost Service Option, Continued

- The applicant is required to participate in the Affordable Connectivity Program, and encouraged to ensure that prospective customers are aware of their participation in the ACP. The applicant is encouraged to participate in any successor broadband subsidy programs should funding for the Affordable Connectivity Program be depleted and the Program not renewed.
- The low-cost broadband service option must be made available to those who qualify for the FCC's Affordable Connectivity Program. Eligibility criteria for the Affordable Connectivity Program are located at <https://www.affordableconnectivity.gov/do-i-qualify/>. Subgrantees may not impose additional eligibility restrictions beyond those applicable to the Affordable Connectivity Program.
- The Office of Broadband strongly encourages the low-cost broadband service option made available to all eligible prospective customers across the subgrantee's service territory; however, this service option must at least be available to locations within the awarded project areas under the BEAD program.
- Applicants may seek a waiver from the Office of Broadband to increase the maximum cost of the service plan to \$50, holding all other above-listed requirements of the low-cost service option constant. The waiver must clearly demonstrate that offering a \$30 low-cost service option is cost-prohibitive or not reasonably possible. The Office of Broadband will evaluate waivers on a case-by-case basis and reserves the right to decline an applicant's waiver should it not clearly demonstrate the need for an increase in the service cost from \$30 to \$50.

## ■ Middle Class Affordability Plan

The affordability of broadband services from BEAD-funded networks for middle-class households is a priority for the Office of Broadband. The affordability of internet service plans for middle class households is addressed by the following program elements:

- 1. BEAD Proposal Scoring Criteria:** If the service package cost of gigabit symmetrical service is at or below \$100 per month, inclusive of all taxes, fees, and charges billed to the customer, the applicant will receive full credit under this section. More expensive packages receive a percentage of 10 points reflective of their percent distance from \$100 per month, inclusive of all taxes, fees, and charges billed to the customer.
- 2. Recommended Service Plan:** The Office of Broadband is strongly recommending that ISPs that receive a BEAD award consider offering an affordable service option for middle class consumers. The recommended service option has the same criteria as the low-cost service option, but \$50/month.

# Non-Deployment



**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**  
*Partners for Better Communities*

## ❏ Non-Deployment: Eligible Uses of BEAD Funds

In line with the BEAD Notice of Funding Opportunity, the Office of Broadband will consider supporting non-deployment activities related to the following:

- User training with respect to cybersecurity, privacy, and other digital safety matters.
- Remote learning or telehealth services/facilities.
- Digital literacy/upskilling (from beginner-level to advanced).
- Computer science, coding and cybersecurity education programs.
- Implementation of Eligible Entity digital equity plans (to supplement, but not to duplicate or supplant, Planning Grant funds received by the Eligible Entity in connection with the Digital Equity Act of 2021).
- Broadband sign-up assistance and programs that provide technology support.
- Multi-lingual outreach to support adoption and digital literacy.
- Prisoner education to promote pre-release digital literacy, job skills, online job acquisition skills, etc.
- Digital navigators.
- Costs associated with stakeholder engagement, including travel, capacity-building, or contract support.
- Other allowable costs necessary to carrying out programmatic activities of an award, not to include ineligible costs described in Section V.H.2 of the NOFO.
- Activities related to the incorporation of “smart” technologies and capabilities into farming practices.
- Broadband adoption initiatives or programs.
- Other activities related to non-deployment.

## ❏ Non-Deployment: Eligible Uses of BEAD Funds

The Office of Broadband will prioritize the following considerations in the selection of non-deployment initiatives using funds from Virginia's BEAD allocation:

- ❑ **Return on investment for the Commonwealth and its residents:** the initiative will have a generational impact on residents of the Commonwealth and will address the digital divide in a sustainable manner.
- ❑ **Addresses identified component of the digital divide:** the non-deployment initiative addresses a component of the digital divide beyond access to broadband infrastructure that is supported by data from the Virginia Digital Opportunity Survey and consistent with the findings of the Virginia Digital Opportunity Plan and/or locality and Tribal Broadband Affordability and Adoption plans.
- ❑ **Innovative solutions:** the non-deployment initiative addresses an aspect of the digital divide without a current solution or supplements an existing solution in an innovative manner.
- ❑ **Capacity and experience:** organizations in the prospective pool of applicants generally have the experience and organizational capacity necessary to administer a potentially significant program.



# Questions & Answers



**VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT**  
*Partners for Better Communities*

## Contact Us

600 East Main Street, Suite 300

Richmond, VA 23219

804-371-7000

[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

Email: [vati@dhcd.virginia.gov](mailto:vati@dhcd.virginia.gov)